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Significant Reduction to Hospital Provider-Based Reimbursement Looms For New, Off Campus Sites

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Becker's Hospital Review

Jolie Havens, a partner in the Vorys Columbus office and chair of the health care group, authored an article for *Becker's Hospital Review* titled "Significant Reduction to Hospital Provider-Based Reimbursement Looms For New, Off Campus Sites." The article outlined the reimbursement changes for new, off campus hospital outpatient departments (such as hospital-based clinics) that we included in the Bipartisan Budget Act of 2015.

The article states:

"Regulatory guidance is needed to explain multiple open issues and implications under the Act. CMS indicated that it will release initial guidance on the Act in the CY2017 OPPS proposed rule, which should be issued very soon. Regardless of what the future holds, the Act is clearly a big step toward reimbursement neutrality and away from site of service billing, likely in response to increased consolidation within the industry and increased implementation of off campus provider-based sites in recent years. Consideration must also be given to how the Act could impact billing under Medicaid (to the extent the Medicaid program in a given state follows the Medicare provider-based standards, as in Ohio), as well as potential private payer arrangements. The Act may also impact 340B drug access (typically limited to provider-based sites), and we cannot say at this time whether the exceptions to the Act are actually permanent.

Not surprisingly, the Act has been met with criticism by hospitals and related industry groups (including the American Hospital Association). One of the biggest complaints is the inability to receive grandfathered status if the OPD was not billing before November 2, 2015. There are several reports of hospitals across the country that were days or months away from opening new off campus OPDs when the November 2 deadline hit. For those hospitals, significant time, energy, and resources were invested in

these OPDs with the understanding that they would receive the higher reimbursement under the OPPS."

To read the entire article, visit the *Becker's Hospital Review* [website](#).